

The legislative session is winding down at the Indiana State House. There have been several bills this session targeting energy issues. There is a bill that offers tax credits for various new energy projects. One of those is cellulosic Ethanol.

There is \$20 million in tax credits offered for the production of 20 million gallons per year of cellulosic Ethanol. Cellulosic Ethanol is the process in which everything but the grain is used to produce the Ethanol. The sugars in corn stalks, straw, hay, wheat straw, hay, and rye even other cellulosic materials including wood waste are broken down into Ethanol. It's the future of Ethanol production and is going to allow us to replace even more of our use of foreign oil. With this incentive, I feel there is a good chance to bring a cellulosic facility to Indiana.

If you've been following this legislative session, you'll find that bills have come and gone, some to be resurrected by being made part of other bills through the amendment process. This has happened a lot this session with the energy bills.

Another piece of legislation includes the "Indiana Fueled Tax". It means giving tax credit for the use of Indiana energy sources, whether it is coal, oil shale, biomass or methane. These resources must come from Indiana to produce energy, whether its power or heat. This will help us face our future energy needs, in an environmentally friendly, cleaner way. This tax credit measure has a \$50 million cap and would be paid out at 10 percent of the cost of the project over then years,

This is a key part of the state strategic energy plan. That plan calls for the use of homegrown sources, and growing Hoosier jobs while striving to meet our energy needs. This program uses these homegrown resources to replace foreign natural gas and petroleum.

Ethanol has been the states renewable fuel focus. We have also announced new clean coal projects to help us meet our needs for electricity and natural gas. We are working in this legislative session to move forward with new technology and processes like cellulosic ethanol.

We hope to come out of the legislative session, with new policies that drive our energy plan forward, using the resources we have here. The feeling has always been, if Indiana can become more energy independent and sustainable, whether that's through producing more or saving more, and if you expect the same from other states, we have come together to help the U.S. get over some of its energy issues.

President Bush talked about our addiction to oil. The bioresources and agricultural energy we have available in this state, coupled with our abundant coal ready to be turned into future transportation fuels leaves Indiana poised and ready to relieve that addiction with cutting edge energy technologies. This proposed energy legislation, involving cellulosic ethanol production and the Indiana Fueled Tax credits will keep moving these technologies forward.